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C O N F I D E N T I A L SECTION 01 OF 02 PRAGUE 000565

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TAGS: PREL MARR EZ

SUBJECT: CZECH PM RAISES CONCERNS ABOUT FUNDING OF MISSILE DEFENSE SITE

REF: PRAGUE 528

Classified By: Ambassador Richard W. Gruber for reasons 1.4 b+d

¶1. (C) Summary: Czech PM Topolanek told Ambassador that questions regarding U.S. funding of missile defense projects in Central Europe are damaging Czech efforts to build political support for the system. Referring to the proposal in the House version of the defense appropriations bill that funding for Poland would be considered only after Poland and the U.S. conclude negotiations, Topolanek said it is unrealistic to expect that the Czech Parliament would approve the U.S.-Czech agreements before USG funding for the entire system was certain. Overall Topolanek thought the missile defense debate in the Czech Republic was in good shape; he intends to name a new coordinator for the issue in his office next week. Topolanek was in very good spirits during the meeting, confident that economic reform legislation would pass, and looking forward to President Bush's visit next month. Topolanek's comments on military exports are reported septel. End summary.

¶2. (C) Ambassador called on Czech Prime Minister Mirek Topolanek on May 17. The meeting, at the Ambassador's request, was also attended by Topolanek's Chief of Staff Jan Novak and Foreign Policy Advisor Adela Kadlecova. Discussion topics included missile defense, domestic politics, security at Radio Free Europe, and licensing of Czech exports to Venezuela (latter reported septel).

Missile defense

¶3. (C) Topolanek was optimistic on missile defense (MD), stating that he felt there has been real progress in recent weeks. Topolanek was harsh in his criticism of CSSD Shadow Foreign Minister Lubomir Zaoralek, terming him the only real obstacle to progress. Topolanek said he could have reached a deal with CSSD on a vote in Parliament on MD, if not for Zaoralek. (Note: Topolanek was not specific, but he presumably was referring to a protracted debate in the lower house on May 10 during which several competing bills were debated that would have guided the GOCR as it opened negotiations with the USG on MD. While the fact that no bill in the end was passed, so that no conditions were placed on the government, could have been considered a victory for the GOCR, Topolanek appears to think it would have been better if a weak resolution, imposing no harsh conditions, had passed with bipartisan support.) Topolanek said that Zaoralek, rather than the Czech Communists, was the real enemy on MD; with the Communists at least their opposition is clear and predictable. He stated that he thought the groups actively opposing MD were "funded by Russia" and also referred to "Comrade Zaoralek" as a "KGB agent." But on the whole, Topolanek said that he has the situation "under control." On

CSSD Chairman Jiri Paroubek, Topolanek noted that he appears to have taken a "different approach" to MD in recent weeks, that he was "not favorable, but helping" (no further explanation), but again complained that Zaoralek was the problem.

¶4. (C) Topolanek said that the long-awaited appointment of a new government coordinator for MD would take place next week.

Tomas Klvana, former spokesman for President Havel and a former journalist, will be responsible for all coordination and communication, including with Parliament, the regions, between ministries, and with the embassy. Topolanek told the Ambassador that Klvana would be based in the PM's office and would have "the staff and authority" to get the job done. Klvana would have a limited appointment that will last "until the final vote in Parliament." (Note: we understand the delay in appointing Klvana was due to difficulties reaching a satisfactory arrangement with his current employer, an international tobacco firm. Klvana is well-known to the embassy, and his appointment will provide a much-needed boost to the design and execution of coherent outreach strategies.)

¶5. (C) Looking ahead, Topolanek said that he is concerned about developments in the U.S. Congress. He said it is hard to imagine that the Czech Parliament would approve the MD agreements with the United States "if the U.S. Congress has not previously approved," in other words, if the Congress has not fully funded the planned MD assets in Central Europe (a reference to the language in the House defense bill that withholds funding for the Polish interceptors until after Poland has approved the MD arrangement; as other senior Czech officials have told us, reftel, the Czechs see the two sites as a package and do not consider the radar in the Czech Republic as politically viable without the interceptors in

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Poland and the protection they would provide to Europe). Citing the continuing public debate about the reaction of Russia and about the linkage of the bilateral MD system to NATO, Topolanek said that doubts about U.S. funding for the system play directly into the hands of MD opponents. In response to Ambassador's explanation that the Administration is working to ensure that both Central European sites are fully funded, and that the Congressional process was not yet complete, Topolanek said he fully understood the process, and noted that he has his own problems with the Czech Parliament.

Ambassador also shared that an MDA-provided technical expert will visit the following week, and that Secretary of Defense Gates would be in Prague on June 13; Topolanek welcomed both.

(Note: this discussion took place prior to the full House vote that preserved the planned cuts in funding for the Polish site.)

Domestic politics

¶6. (C) Topolanek said he welcomed the opportunity to brief the Ambassador on the Czech domestic scene. Speaking confidently, he described the situation as "still on the edge" and said not much had changed from the post-election period (an apparent reference to the on-going struggle to keep his coalition intact and deal with the evenly divided parliament). Turning to the economic reform package that the government has put forward (which is due to be formally approved at next week's cabinet meeting and then sent to Parliament), Topolanek said the coalition is agreed on the package, but admitted that the bill's fate in Parliament is not assured. He said he expects a vote in the second half of July. While he joked that if the bill fails he may be seeking an appointment at an American university, Topolanek stated that he expects the bill will pass, and that the government "will continue" (note: an apparent sign that Topolanek still intends to tie a vote of confidence to the bill, although he did not say this).

Radio Free Europe security

¶7. (C) Ambassador briefly mentioned embassy concerns about a government review of security practices at Radio Free Europe/Radio Liberty (the independent Data Protection Office has launched an investigation into RFE's use of surveillance tapes; together with RFE we are engaged in an effort to have the investigation turned off on the grounds that it will compromise the security of both RFE and the embassy).

Topolanek said he was aware of the issue and encouraged the Ambassador to continue working on this with Minister for Legislative Affairs Cyril Svoboda, who has to date been very supportive of the embassy's position. (Comment: Topolanek made no promises to directly intervene in the case, but we clearly have an opening to return to him if necessary. The Ambassador will meet with Svoboda on May 21.)

GRABER